

## Message Text

LIMITED OFFICIAL USE

PAGE 01 JOHANN 01185 201209Z

44

ACTION COME-00

INFO OCT-01 AF-08 ISO-00 EB-07 OMB-01 TRSE-00 XMB-02 /019 W  
----- 074443

P R 200950Z JUL 76

FM AMCONSUL JOHANNESBURG

TO SECSTATE WASHDC PRIORITY 4898

INFO AMEMBASSY PRETORIA

LIMITED OFFICIAL USE JOHANNESBURG 1185

E.O. 11652: N/A

TAGS: BENC, SF, ENRG

SUBJ: MAJOR PROJECTS: ISCOR DIRECT REDUCTION PLANT

REF: A. STATE 172564 B. JOHANNESBURG 1142 C. PRETORIA 3151

1. IN CONVERSATION TODAY WITH RICHARD GROSS, NORTH CAROLINA NATIONAL BANK REPRESENTATIVE IN JOHANNESBURG, CONGEN LEARNED THAT GROSS HAS HAD CONVERSATION LAST WEEK WITH M.D. MORAY, MANAGING DIRECTOR OF ISCOR CONCERNING THE ISCOR SUSPENSION OF THE DIRECT REDUCTION PLANT REFTELS. ACCORDING TO GROSS, MORAY SAID FOR REASONS OF BALANCE OF PAYMENTS SITUATION IN WHICH SOUTH AFRICA CURRENTLY (AND FOR FORSEEABLE FUTURE) FINDS ITSELF, MAJOR PROJECTS BY SOUTH AFRICAN PARISTATALS SUCH AS ISCOR ARE BEING INCREASINGLY DEFERRED. INDEED, ALTHOUGH MORAY TOLD GROSS THE DIRECT REDUCTION PROJECT HAS BEEN DEFERRED FOR ONE YEAR, HE MORAY, DOES NOT SEE THE PROJECT BEING APPROVED FOR REASONS OF FINANCE EVEN THEN.

2. GROSS SAYS HE THEN ASKED MORAY WHAT WOULD BE ISCOR'S ATTITUDE IF EXTERNAL FINANCING WERE AVAILABLE AND SUCH COULD

BE FORTHCOMING IN A PROPOSAL. GROSS SAYS MORAY WAS NON-COMMITTAL; HOWEVER, HE GROSS INFERS THAT THE NEXT STEP IS UP TO INTERESTED US FIRMS.

3. COMMENT: GROSS IS SOUTH AFRICAN CITIZEN RECENTLY APPOINTED AS NORTH CAROLINA NATIONAL BANK'S (NCNB) REP IN JOHANNESBURG.  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 JOHANN 01185 201209Z

HE HAS INFORMED US THAT NCNB SEES ITS FUNCTION AS GETTING

FINANCING PACKAGES TOGETHER FOR PROJECTS LEADING TO US EXPORTS  
AND HE BELIEVES IT NOW UP TO MIDREX TO MOVE PROMPTLY TO  
PROVIDE PROPOSAL TO ISCOR. WE HAD CONVERSATIONS WITH GROSS  
HERE WHILE MIDREX TREASURER ANDERSON WAS IN RSA IN CONNECTION  
WITH DIRECT REDUCTION PROJECT AND FIND HIM TO BE ABLE AND  
AGGRESSIVE YOUNG BANKER. HOWEVER, WE BELIEVE GROSS MAY BE  
OVERSTATING WILLINGNESS ISCOR TO GO FOR DIRECT REDUCTION  
PLANT NOW IN FACE OF CURRENT AND FORSEEABLE ECONOMIC SITUATION  
WHICH, AS PRETORIA SUGGESTS, PRESAGES BALANCE OF PAYMENTS  
PROBLEMS WELL INTO 1977 (SEE PRETORIA'S A-87 DATED JUNE

29, 1976.)

JOHNSON

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FINANCE, PROGRAMS (PROJECTS)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 20 JUL 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** buchant0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976JOHANN01185  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760278-1024  
**From:** JOHANNESBURG  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760741/aaaabkdbd.tel  
**Line Count:** 73  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION COME  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 STATE 172564, 76 JOHANNESBURG 1142, 76 PRETORIA 3151  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** buchant0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 01 JUL 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <01 JUL 2004 by ShawDG>; APPROVED <15 OCT 2004 by buchant0>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** MAJOR PROJECTS: ISCOR DIRECT REDUCTION PLANT  
**TAGS:** BENC, ENRG, SF  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006